

REPORT TO:	GENERAL PURPOSES & AUDIT COMMITTEE 17 September 2014
AGENDA ITEM:	7
SUBJECT:	ISA 260 REPORTS and VALUE FOR MONEY REPORT– FINAL ACCOUNTS 2013/14
LEAD OFFICER:	Richard Simpson - Director of Finance and Assets and S151 Officer
CABINET MEMBER:	Councillor Simon Hall, Cabinet Member for Finance and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: The preparation and publication of the Council's final accounts provides assurance that the Council's overall financial position is sound. This underpins service delivery that enables the achievement of the Council's priorities and forms a key strand to the Council's overall Financial Strategy.	
FINANCIAL SUMMARY: There are no direct financial implications arising from this report.	
FORWARD PLAN KEY DECISION REFERENCE NO: Not applicable, not a key decision.	

For general release

1. RECOMMENDATIONS

The Committee is asked to:

- 1.1 note the respective ISA 260 Reports for the Council and the Croydon Pension Fund issued by the Council's external auditors, Grant Thornton (Appendices 1 and 2);
- 1.2 note the findings of the Council's Value for Money Report issued by the Council's external auditors, Grant Thornton (in Appendix 3);
- 1.3 approve the joint letters of representation from the Council and Grant Thornton (in Appendices 4 and 5 of the respective reports in 1.1) issued for the Council and the Croydon Pension Fund;
- 1.4 Approve the adjustments to the Council's 2013/14 draft accounts recommended in the Audit Findings report for the Council (contained in

agree

Appendix 1)

- 1.5 Agree that for the reasons detailed in para.3.2, the Director of Finance and Assets and s.151 Officer, in consultation with the Chair of the General Purposes and Audit Committee be given delegated authority make any further adjustments to the Council's 2013/14 draft accounts recommended by Grant Thornton, subsequent to this meeting and before the final accounts are signed by him.

2. EXECUTIVE SUMMARY

- 2.1 The Council's external auditors, Grant Thornton (the Auditors) have issued the International Standards on Auditing (ISA) 260 Reports for the 2013/14 final accounts (the Accounts) for the Council and for the Pension Fund and also the Value for Money report for the Council. The reports are specifically aimed at those charged with governance. The reports include the Council's management response.

3. ISA 260 REPORTS

- 3.1 The Auditors have now completed their audit of the accounts for the Council and for the Pension Fund and have produced ISA 260 Reports for each, which they are required to issue to General Purposes & Audit Committee as the Members charged with governance for the organisation.

The principle purposes of the reports are:

- to reach a mutual understanding of the scope of the audit and the respective responsibilities of the auditor and General Purposes & Audit Committee;
- to share information to assist both the auditor and those charged with governance to fulfil their respective responsibilities; and
- to provide the General Purposes & Audit Committee with recommendations for improvement arising from the audit process.

The ISA 260 Reports are attached as Appendices 1 and 2.

Financial Statements

- 3.2 The draft of the Council's 2013/14 draft accounts were approved by this Committee at its last meeting on 25th June (A19/14). The Auditors are anticipating being able to issue unqualified opinions on both sets of Accounts for 2013/14 by the end of September, by which time the Accounts and the Letters of Representation need to have been signed by the Director of Finance and Assets and Section 151 Officer on behalf of the Council. In the event that the final audit findings include further recommendations a delegation is sought to allow for the Director of Finance and Assets and s.151 Officer to make any further adjustments to the Accounts consequent on such recommendations.

- 3.3 The ISA 260 Reports detail the matters arising from the audit of the financial statements that the auditor is required to report upon to the General Purposes & Audit Committee.
- 3.4 There were no adjustments resulting from the audits that impacted upon the available revenue reserves of the Council as reported in the financial statements.

Value for Money Report

- 3.5 The Value for Money report (Appendix 3) for the Council sets out the Auditors' conclusion on the Council's arrangements for securing value for money. The judgement covers three themes; Strategic Financial Planning; Financial Governance and; Financial Control.
- 3.6 The report comments that the Council has put in place proper arrangements to support financial governance and financial control which support the setting of prudent and deliverable budgets based on sound assumptions.

Auditor Recommendations

- 3.7 The Auditor makes two recommendation arising from the Council's draft 2013/14 accounts but no recommendations on the Pension Fund accounts. The Council's response to this recommendation is included in the Action Plans in appendix A of the report.

4. CONSULTATION

- 4.1 An advertisement was placed in the Croydon Guardian stating that the Accounts were open to public scrutiny during a four week period from 14th July 2014 to 8th August 2014. The public had the opportunity with this arrangement to look at the accounts and raise queries with the auditors. Additionally the public have the opportunity to raise queries with the auditors directly. There were no queries raised by members of the public.

5 FINANCIAL AND RISK CONSIDERATIONS

- 5.1 There are no direct financial considerations arising from this report.
- 5.2 There are no implications arising from this report of new policy or spending decisions.

6. LEGAL COMMENTS

- 6.1 The Solicitor to the Council comments that there are no direct legal implications arising from this report.
- 6.2 Approved by: Gabriel MacGregor, Head of Legal Services (Corporate) on behalf of the Council Solicitor and Monitoring Officer.

7. HUMAN RESOURCES IMPACT

7.1 There are no implications arising from this report.

Approved by: Hansa Bharadia, HR Business partner, on behalf of the Director of Human Resources

8. CUSTOMER IMPACT

8.1 A properly and well prepared set of accounts helps provide assurance that the Council's overall financial position is sound and this underpins service delivery. The recommendations made in the ISA 260 Reports support measures that the Council is already taking to lead to a further strengthening of the Council's finances.

8.2 Following positive feedback the Council will again prepare an Annual Report which will incorporate both the Review of the Chief Financial Officer and the Key Statements from the accounts as well as a review of the Council's performance over the past year and future plans. The Annual Report aims to be clear and easy to read bringing enhanced transparency to the financial reporting of the Council.

9. EQUALITIES IMPACT

9.1 An Equalities Impact Assessment has not been carried out as this report does not require a new policy or spending decision. The contents of this report do not have any equalities implications.

10. ENVIRONMENTAL IMPACT

10.1 There are no implications arising from this report.

11. CRIME AND DISORDER REDUCTION IMPACT

11.1 There are no implications arising from this report.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISIONS

12.1 This is a statutory requirement.

13. OPTIONS CONSIDERED AND REJECTED

13.1 There are no options to consider and reject.

CONTACT OFFICER:

Richard Simpson, Director of Finance and Assets and Section 151 Officer - ext 61848

BACKGROUND DOCUMENTS:

None